

A night-time photograph of the Chicago skyline. The Willis Tower is the central focus, illuminated against a dark blue sky with wispy clouds. In the foreground, a large Ferris wheel is brightly lit with pink and white lights. The city's lights are visible in the background, creating a vibrant urban scene.

Quarterly Market Insights 2022: Fourth Quarter

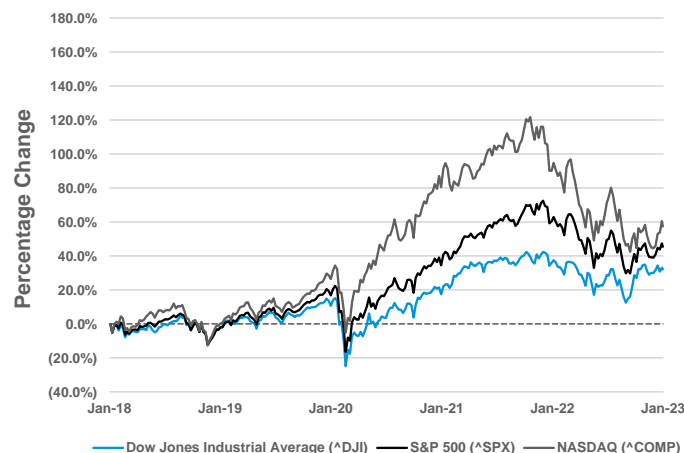
GENESIS CAPITAL

Capital Markets Overview

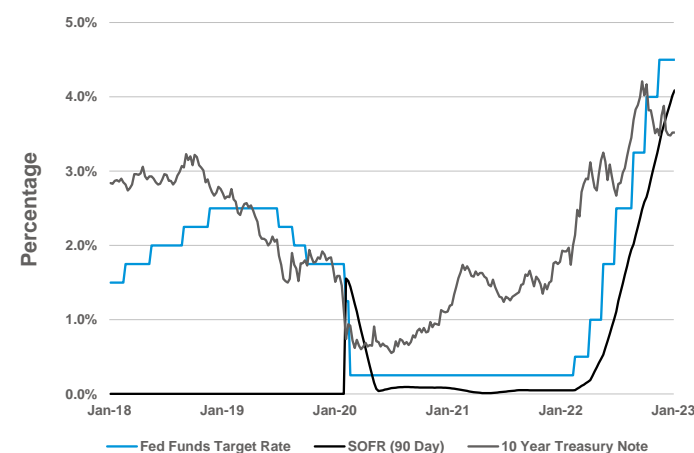
Commentary

- On January 30, 2023 the S&P 500 Index closed at 4,017.77, 4.6% higher than the beginning of the year, and 2.0% lower than its average closing price throughout 2022.
- The 10-year Treasury Note yield was 3.55% on January 30, 2023, 33 basis points lower than its yield of 3.88% at the beginning of the year, and 60 basis points above its average closing yield of 2.95% in 2022.
- The value of special purpose acquisition company (SPAC) gross proceeds in the year ending December 31, 2022 was \$13.4 billion, across 86 offerings. The value of SPAC gross proceeds in the year ended December 31, 2021 was \$162.5 billion.
- The value of initial public offerings (IPO) gross proceeds in the year ending December 31, 2022 was \$2.2 billion, across 58 offerings.

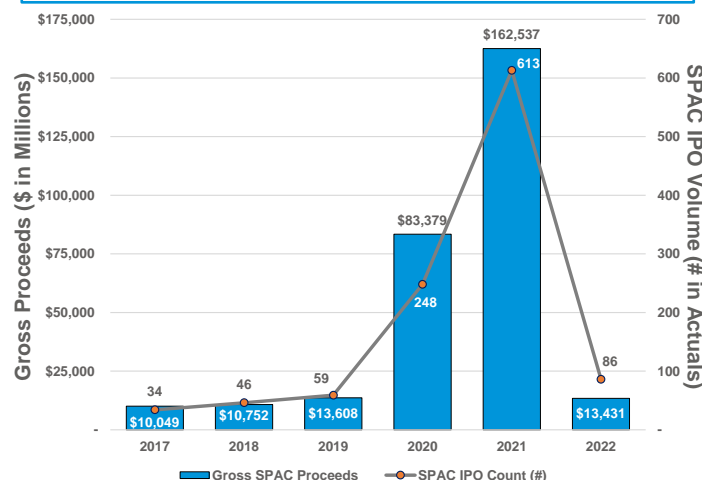
Public Equity Market Indices ⁽¹⁾



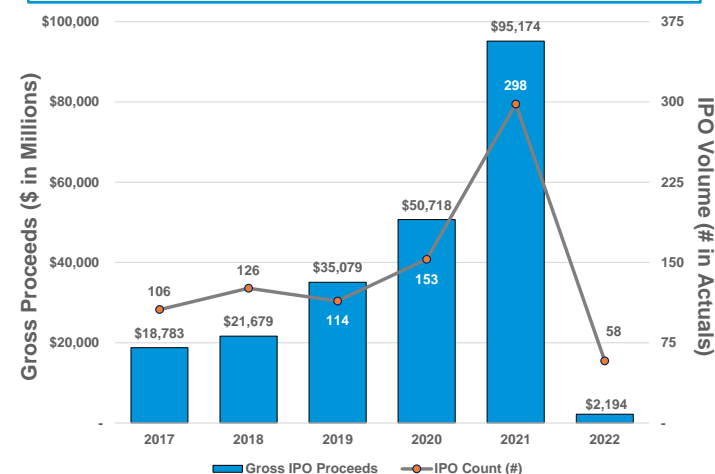
Interest Rates ⁽¹⁾



SPAC Activity



IPO Activity



Note:

1. Indexed relative to February 2, 2018.

Source: S&P Capital IQ, SPAC Insider, U.S. Department of the Treasury.

Public Market Valuations

Commentary

- In the 10-year period ending Q4 2022, the average publicly traded TEV / EBITDA multiple was 12.3x.
- As of January 30, 2023, the S&P 500 average TEV / EBITDA multiple was 13.1x.

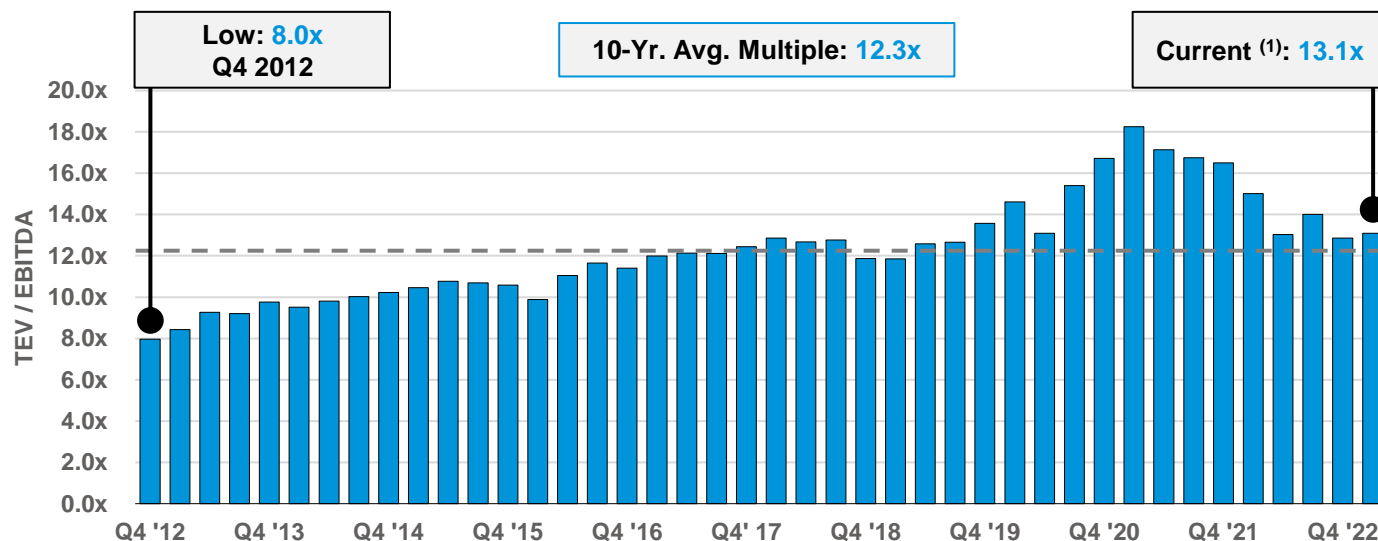
Commentary

- Top sectors by TEV / EBITDA valuation:
 - Technology / Media / Telecom: 15.8x
 - Healthcare: 14.0x
 - Leisure & Entertainment: 12.8x
 - Consumer: 11.2x
 - Business Services: 9.8x
 - Industrial / Manufacturing: 9.4x

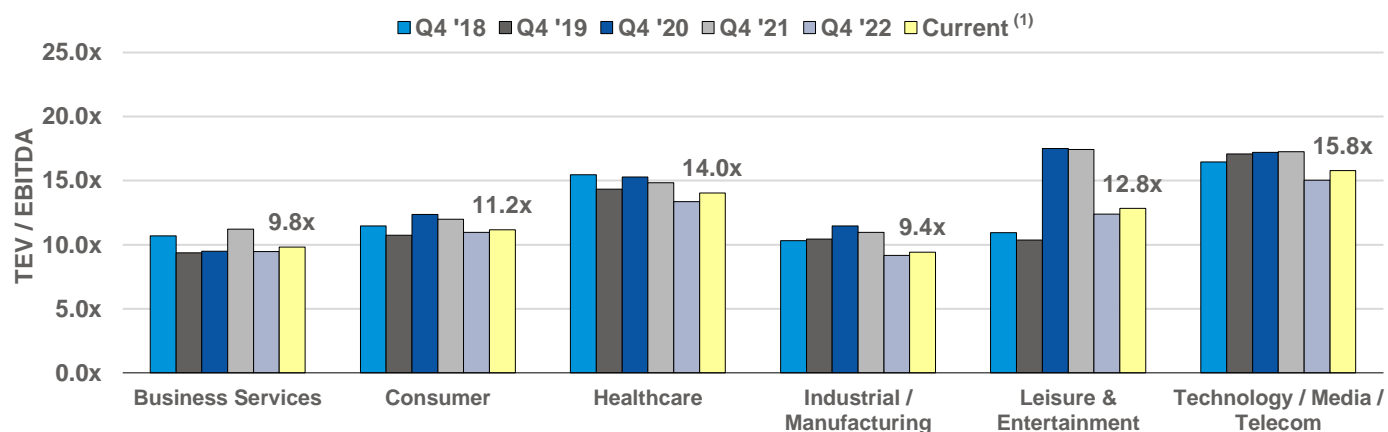
Note:

1. Current as of January 30, 2023.

Mid-Quarter Public Trading TEV / EBITDA Multiples (S&P 500)



Public Trading TEV / EBITDA Multiples by Select Sector



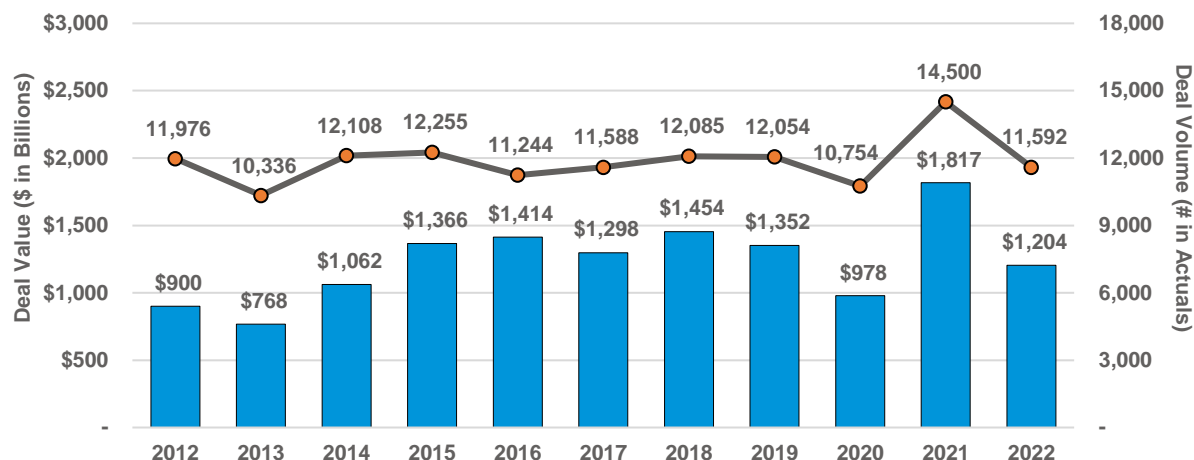
Source: S&P Capital IQ.

U.S. M&A Market Overview

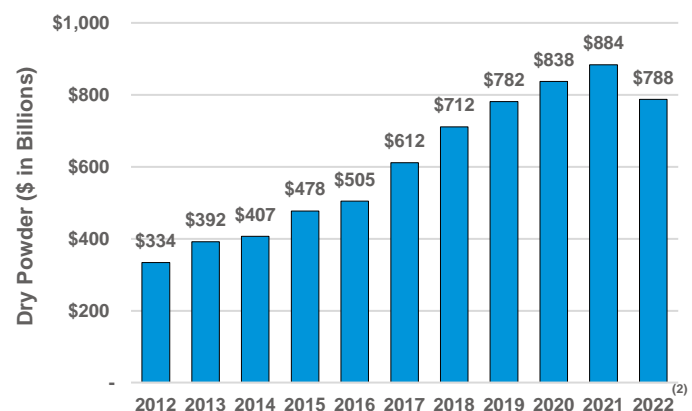
Commentary

- The value of M&A transactions completed in the U.S.⁽¹⁾ in the YTD period ended December 31, 2022 was \$1,204 billion, a decrease of 33.7% from the comparable period in 2021. Further, the number of M&A transactions completed in the U.S.⁽¹⁾ in the YTD period ended December 31, 2022 decreased by 20.1% from the comparable period in 2021.
- The median TEV / EBITDA multiple for U.S. M&A transactions for the YTD period ended December 31, 2022 increased to 11.6x.

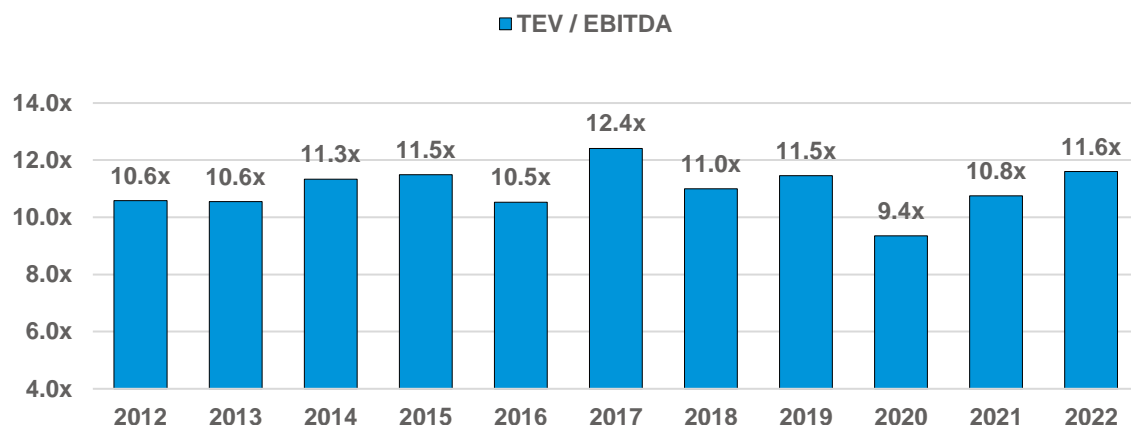
U.S. M&A Activity ⁽¹⁾



U.S. Private Equity Dry Powder



U.S. M&A Multiples ⁽¹⁾



Notes:

- U.S. M&A Activity includes closed deals with U.S. targets only; excludes real estate transactions.
- As of September 30, 2022.

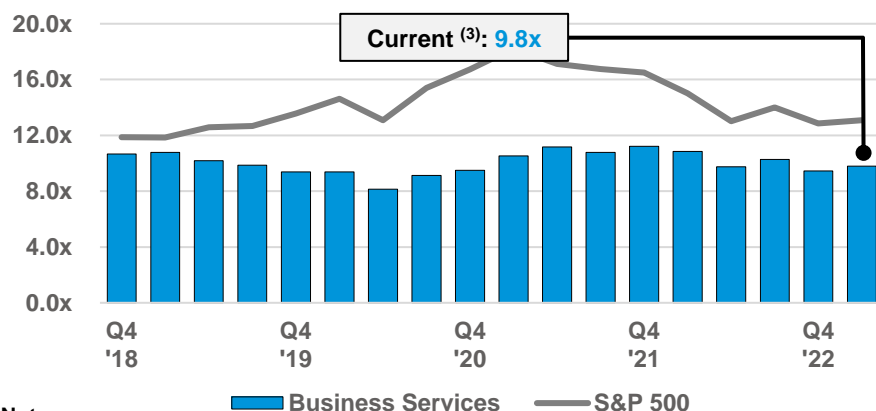
Source: S&P Capital IQ, Pitchbook, S&P Capital IQ Pro.

Sector Overview: Business Services

Commentary

- The number of M&A transactions completed in the Business Services sector for the LTM period ended December 31, 2022 was 2,237, a decrease of 9.0% from the comparable period in 2021.
- The weighted average TEV / EBITDA multiple for U.S. M&A transactions in the Business Services sector for the LTM period ended December 31, 2022 was 7.6x.
- As of January 30, 2023, the average publicly traded TEV / EBITDA multiple for the Business Services sector was 9.8x.

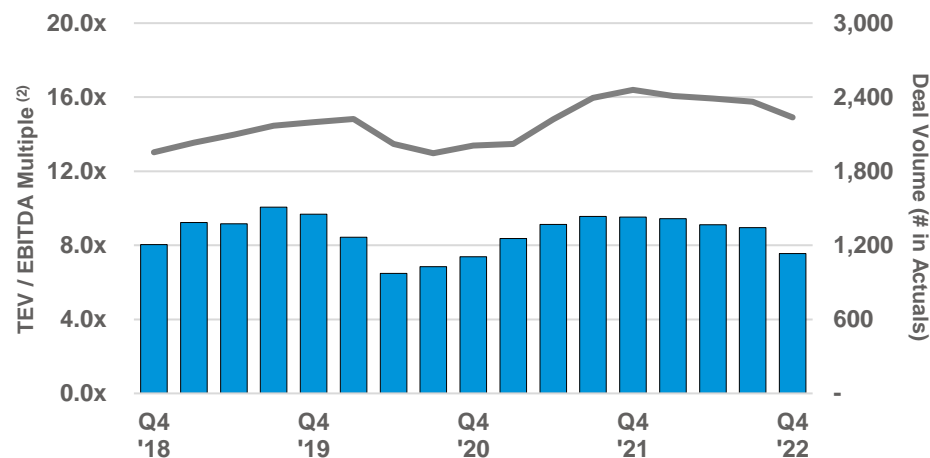
Mid-Quarter Public Trading TEV / EBITDA Multiples



Notes:

- Four-quarter rolling.
- Weighted average U.S. TEV / EBITDA multiples.
- Current as of January 30, 2023.
- Not disclosed as of publication date.

M&A Trends ⁽¹⁾



Notable M&A Transactions

Announced Date	Target	Target Description	Acquirer	Disclosed EV (\$MM)
12/07/22	RUPPERT LANDSCAPE	Provides commercial landscape services throughout the Northeast, Mid-Atlantic and Southeastern U.S.	KNOX-LANE	N.D. ⁽⁴⁾
11/28/22	Onpoint	Provides safety, logistics and planning services for industrial sectors.	MML	N.D. ⁽⁴⁾
11/10/22	ACG	Operates as a tax consultancy firm focused on the technology and global transportation markets.	bakertilly	N.D. ⁽⁴⁾
11/09/22	FULL SPECTRUM	Provides expert technical support services for high-end laboratory systems in the U.S.	CBRE	\$110
10/03/22	Baylor TRUCKING	Operates as a regional truckload carrier with a fleet of 200 trucks and 980 trailers.	WERNER ENTERPRISES	\$95

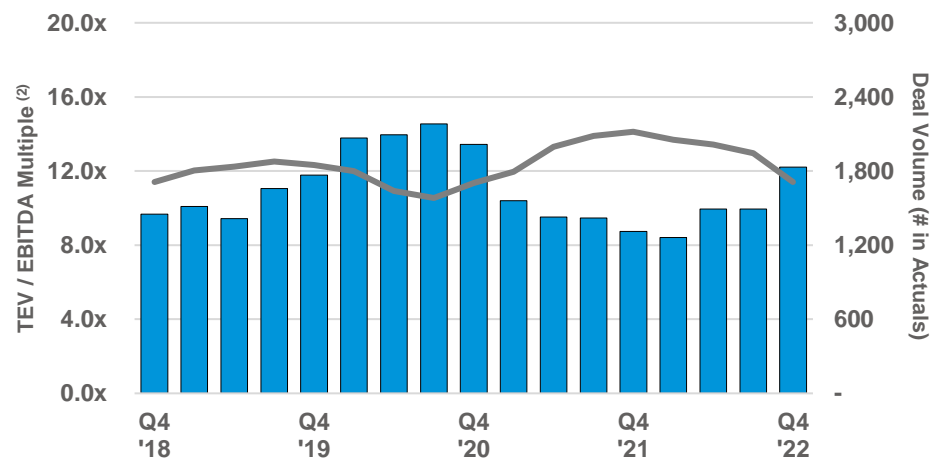
Source: S&P Capital IQ.

Sector Overview: Consumer

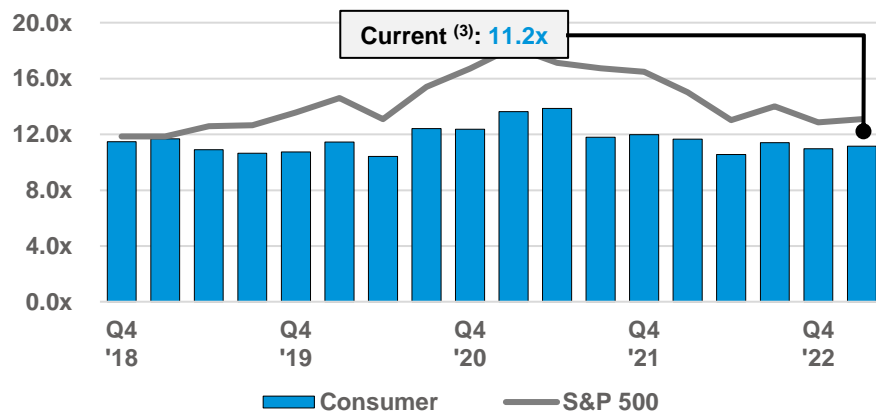
Commentary

- The number of M&A transactions completed in the Consumer sector for the LTM period ended December 31, 2022 was 1,711, a decrease of 19.2% from the comparable period in 2021.
- The weighted average TEV / EBITDA multiple for U.S. M&A transactions in the Consumer sector for the LTM period ended December 31, 2022 was 12.2x.
- As of January 30, 2023, the average publicly traded TEV / EBITDA multiple for the Consumer sector was 11.2x.

M&A Trends ⁽¹⁾












Mid-Quarter Public Trading TEV / EBITDA Multiples



Notes:

- Four-quarter rolling.
- Weighted average U.S. TEV / EBITDA multiples.
- Current as of January 30, 2023.

Notable M&A Transactions

Announced Date	Target	Target Description	Acquirer	Disclosed EV (\$MM)
12/05/22		Operates and franchises a chain of fast-casual Baja-style Mexican restaurants.		\$80
11/15/22		Manufactures apparel for men and women.		\$2,600
11/02/22		Operates a chain of pretzel stores offering hot soft fresh baked pretzels.		\$207
10/24/22		Manufactures and distributes outdoor cooking products, accessories and consumables.		\$2,993
10/14/22		Operates food and drug stores in the United States.		\$30,600

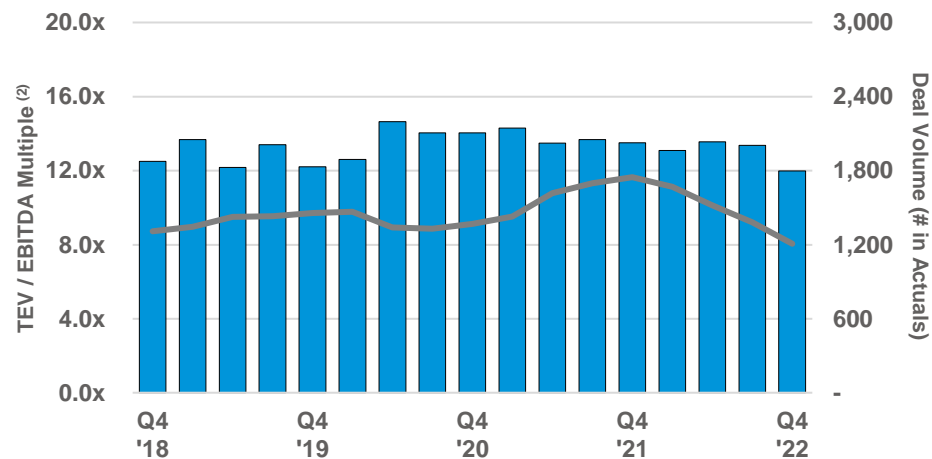
Source: S&P Capital IQ.

Sector Overview: Healthcare

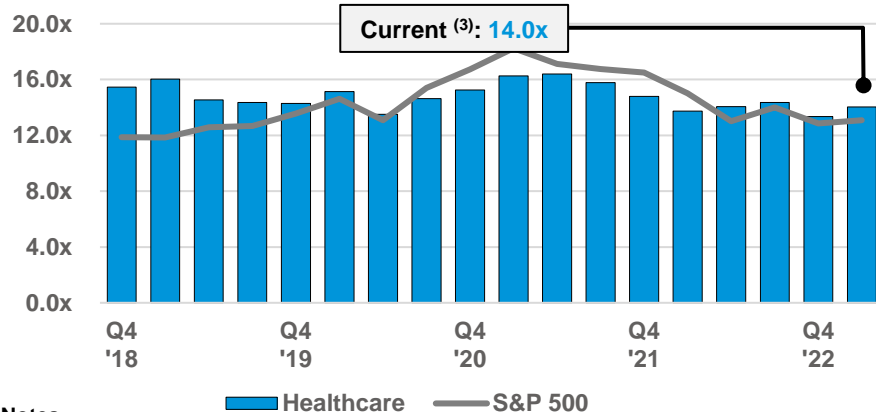
Commentary

- The number of M&A transactions completed in the Healthcare sector for the LTM period ended December 31, 2022 was 1,208, a decrease of 30.9% from the comparable period in 2021.
- The weighted average TEV / EBITDA multiple for U.S. M&A transactions in the Healthcare sector for the LTM period ended December 31, 2022 was 12.0x.
- As of January 30, 2023, the average publicly traded TEV / EBITDA multiple for the Healthcare sector was 14.0x.

M&A Trends ⁽¹⁾



Mid-Quarter Public Trading TEV / EBITDA Multiples



Notes:

- Four-quarter rolling.
- Weighted average U.S. TEV / EBITDA multiples.
- Current as of January 30, 2023.
- Not disclosed as of publication date.

Notable M&A Transactions

Announced Date	Target	Target Description	Acquirer	Disclosed EV (\$MM)
12/12/22	ORIEN	Provides hematology and medical oncology care services.	Blanchard Valley Health System	N.D. ⁽⁴⁾
11/07/22	Summit Health CityMD	Owns and operates a chain of medical care facilities in New Jersey, New York and Washington.	VillageMD	\$8,900
11/03/22	IMMUCOR	Develops, manufactures and sells transfusion and transplantation diagnostics products.	werfen	\$2,000
10/11/22	SeaSpine	Designs, develops and commercializes surgical solutions for the treatment of spinal disorders.	ORTHOFIX	\$282
10/11/22	carecentrix	Provides post-acute and home care management services.	Walgreens Boots Alliance	\$871

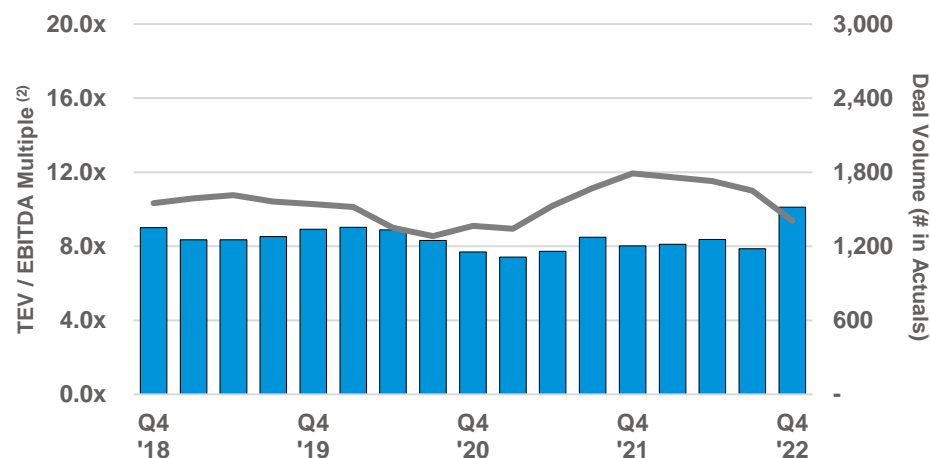
Source: S&P Capital IQ.

Sector Overview: Industrial / Manufacturing

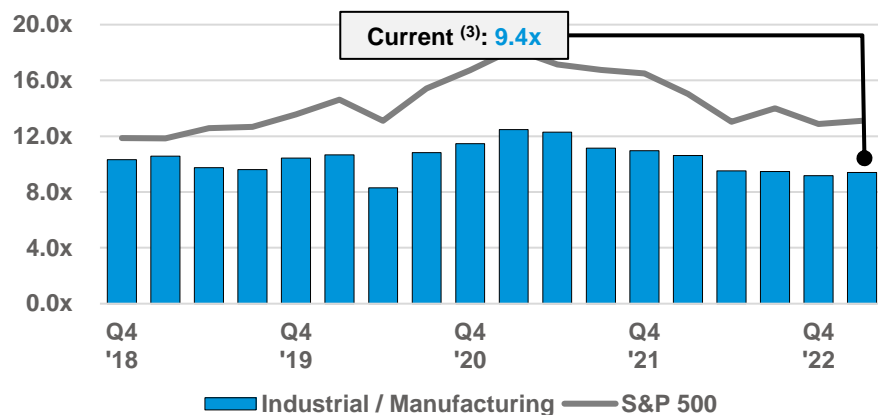
Commentary

- The number of M&A transactions completed in the Industrial / Manufacturing sector for the LTM period ended December 31, 2022 was 1,406, a decrease of 21.4% from the comparable period in 2021.
- The weighted average TEV / EBITDA multiple for U.S. M&A transactions in the Industrial / Manufacturing sector for the LTM period ended December 31, 2022 was 10.1x.
- As of January 30, 2023, the average publicly traded TEV / EBITDA multiple for the Industrial / Manufacturing sector was 9.4x.

M&A Trends ⁽¹⁾



Mid-Quarter Public Trading TEV / EBITDA Multiples



Notes:

- Four-quarter rolling.
- Weighted average U.S. TEV / EBITDA multiples.
- Current as of January 30, 2023.

Notable M&A Transactions

Announced Date	Target	Target Description	Acquirer	Disclosed EV (\$MM)
12/15/22	HERITAGE DISTRIBUTION HOLDINGS	Distributes HVAC/R parts, equipment, and supplies to HVAC/R contractors.	BEIJER REF	\$1,275
11/09/22	LEECONTAINER	Manufactures a broad selection of high density polyethylene containers in a variety of neck & handle styles.	GREIF	\$300
11/03/22	ENDURA	Manufactures and sells performance door components.	MASONITE	\$375
10/27/22	Altra Motion	Designs and manufactures a wide range of motion control and power transmission solutions.	Regal Rexnord	\$4,987
10/14/22	FORI AUTOMATION	Designs and manufactures art automated systems.	LINCOLN ELECTRIC	\$427

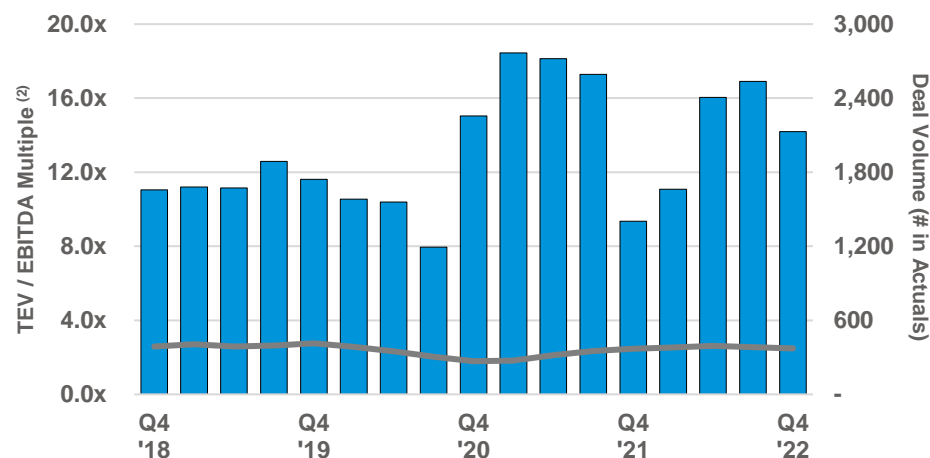
Source: S&P Capital IQ.

Sector Overview: Leisure & Entertainment

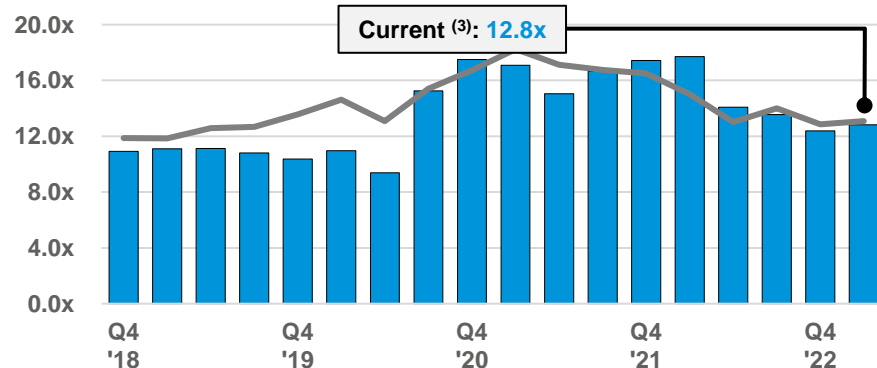
Commentary

- The number of M&A transactions completed in the Leisure & Entertainment sector for the LTM period ended December 31, 2022 was 372, an increase of 0.3% from the comparable period in 2021.
- The weighted average TEV / EBITDA multiple for U.S. M&A transactions in the Leisure & Entertainment sector for the LTM period ended December 31, 2022 was 14.2x.
- As of January 30, 2023, the average publicly traded TEV / EBITDA multiple for the Leisure & Entertainment sector was 12.8x.

M&A Trends ⁽¹⁾



Mid-Quarter Public Trading TEV / EBITDA Multiples



Notes:

- Four-quarter rolling.
- Weighted average U.S. TEV / EBITDA multiples.
- Current as of January 30, 2023.
- Not disclosed as of publication date.

Notable M&A Transactions

Announced Date	Target	Target Description	Acquirer	Disclosed EV (\$MM)
12/21/22	rad.	Operates as an innovative content distribution and NFT streaming platform.	ROW8	N.D. ⁽⁴⁾
12/13/22	RDV SPORTS	Owns and operates Orlando Magic and RDV Sportsplex, which offers sports and entertainment services.	GENESIS REALTY GROUP	N.D. ⁽⁴⁾
11/29/22	BAMTECH MEDIA	Delivers direct-to-consumer live entertainment and video streaming solutions.	The Walt Disney Company	\$6,000
11/29/22	DREAM HOTEL GROUP	Owns and operates a chain of luxury and boutique hotels.	HYATT	\$300
10/25/22	MISS UNIVERSE	Organizes MISS UNIVERSE, MISS USA, and MISS TEEN USA competitions.	JKN GLOBAL GROUP	\$14

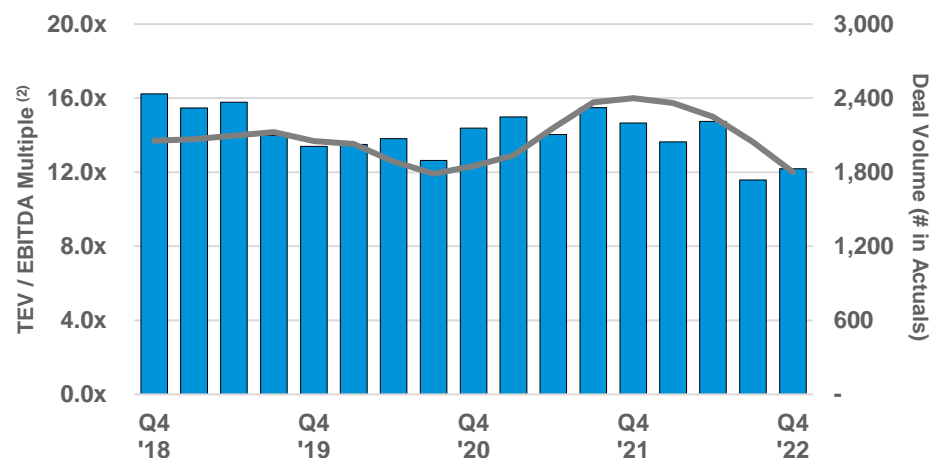
Source: S&P Capital IQ.

Sector Overview: Technology / Media / Telecom

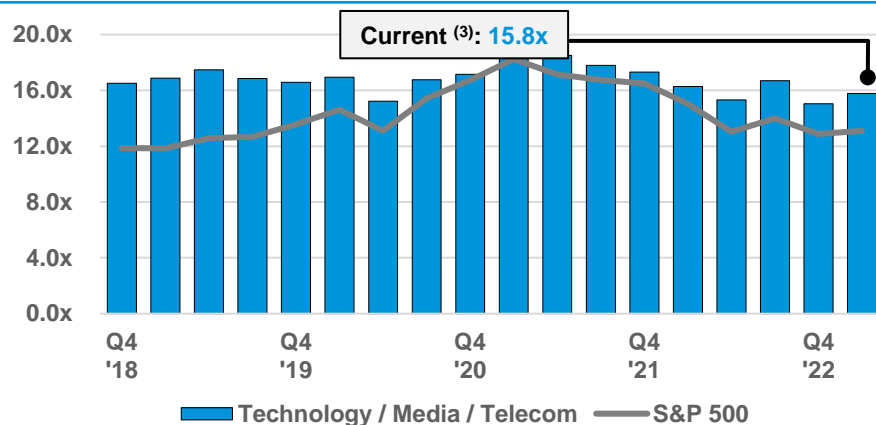
Commentary

- The number of M&A transactions completed in the Technology / Media / Telecom sector for the LTM period ended December 31, 2022 was 1,801, a decrease of 24.9% from the comparable period in 2021.
- The weighted average TEV / EBITDA multiple for U.S. M&A transactions in the Technology / Media / Telecom sector for the LTM period ended December 31, 2022 was 12.2x.
- As of January 30, 2023, the average publicly traded TEV / EBITDA multiple for the Technology / Media / Telecom sector was 15.8x.

M&A Trends ⁽¹⁾



Mid-Quarter Public Trading TEV / EBITDA Multiples



Notes:

- Four-quarter rolling.
- Weighted average U.S. TEV / EBITDA multiples.
- Current as of January 30, 2023.

Notable M&A Transactions

Announced Date	Target	Target Description	Acquirer	Disclosed EV (\$MM)
12/13/22	Fungible	Develops and offers hardware and software solutions for cloud data centers.	Microsoft	\$190
12/12/22	Coupa	Provides cloud-based business spend management platform that connects customers with suppliers.	ADIA THOMABRAVO	\$8,194
11/01/22	Navitar	Designs, develops and manufactures innovative optical solutions for clients and enterprises.	AMETEK	\$190
10/27/22	WillowTree	Designs and develops mobile and web applications.	TELUS International	\$1,225
10/11/22	ForgeRock	Delivers modern and comprehensive Identity and Access Management solutions.	THOMABRAVO	\$1,999

Source: S&P Capital IQ.

Overview of Genesis Capital

Independent Investment and Merchant Bank

An Independent Firm Focused On Families & Companies in Growth Sectors of the Economy

Providing a Full Suite of Investment Banking Services

- Focused on “Need” not Size
- Expertise with Public Corporations
- Deep Experience with Family Businesses
- Solution Focused vs Product Oriented
- Extensive Sell-Side and Buy-Side M&A Experience
- National Client Base
- Active Cross Border Practice with International Operations and Buyers
- Proven Track Record and Strong References

Mergers, Acquisitions & Sales

- Sell-Side
- Buy-Side Acquisition Programs
- Management Buyouts
- Restructurings
- Corporate Divestitures

Financial Advisory Services

- Strategic Alternatives Review
- Capital and Strategic Planning
- Strategic Investments & Joint Ventures
- Fairness and Valuation Opinions
- Committee Representation

Capitalizations

- Recapitalizations
- Private Placements
- Private Investment in Public Equity (PIPE)
- Employee Stock Ownership Plans (ESOP)

Genesis Capital Track Record

Deep Expertise Across Several Industries

Business Services

 NETWORK CONTROLS

has been acquired by

 ABACUS

 DW
DUNCAN-WILLIAMS, INC.

has been acquired by

 SOUTH STATE CORPORATION
(NASDAQ: SSB)

 SIMOS
Business. Re-engineered.

has been acquired by

 TRUEBLUE
(NYSE: TBI)

Consumer

 Rusty TACOO

a subsidiary of

 INSPIRE Brands

has been acquired by

 GCP
GALA CAPITAL PARTNERS

 PAPA JOHN'S®
Better Ingredients. Better Pizza.
(Nasdaq: PZZA)

refranchises its majority stake in its joint venture with Blue and Silver Ventures, Ltd. to

 SUN HOLDINGS, INC.

 scrubs & beyond

has been acquired by

 kindthread

a portfolio company of

 LKM HEADWATER INVESTMENTS

Healthcare

 FIRST CALL

has been acquired by

 PRIORITY AMBULANCE

 SOUTHEAST PRIMARY CARE PARTNERS

has partnered with

 BPOC

 TRM ONCOLOGY

and

 axiess ONCOLOGY


have been restructured and rebranded as

 APTITUDE HEALTH

Industrial / Specialty Manufacturing

 Coffman STAIR PARTS


a portfolio company of

 Prophet Equity

has been acquired by

 BROADVIEW GROUP

and

 HUNTERS GATE HOLDINGS

 kwalu.

Furnishing the Future™

has been acquired by

 DUNES POINT CAPITAL

 Polytek Development Corp.

has acquired

 bee

 ProMarine supplies

 STONE COAT

 INCREDIBLE™ Solutions

 endurance

 LSC

Leisure & Entertainment

 HERSCEND FAMILY ENTERTAINMENT


has acquired

 THE ORIGINAL HARLEM GLOBETROTTERS


 v-moda

has formed a partnership with and received a majority investment from

 Roland


 THE WOODRUFF ARTS CENTER


has entered into a long term agreement with

 LIVE NATION ENTERTAINMENT

(NYSE: LYV)

to operate


 verizonwireless AMPHITHEATRE

 DELTA CLASSIC CHASTAIN

Technology, Media, Telecom


 RUBICON


has acquired

 RiverRoad


A new future for waste.

and the waste services division of

 WestRock
(NYSE: WRK)

 FIVE POINT

has been acquired by

 EY
Building a better working world

 prIME ONCOLOGY

has been acquired by

 WebMD

a subsidiary of

 Internet Brands

a portfolio company of

 KKR

Definitions & Disclosure

Definitions:

- **Last Twelve Months (LTM)** — Timeframe of the immediately preceding 12 months.
- **Year to Date (YTD)** — Period of time beginning the first day of the current calendar year or fiscal year up to the current date.
- **Total Enterprise Value (TEV)** — Equity Value (fully-diluted shares outstanding x current market share price) + market value of debt + minority interest - cash and equivalents.
 - TEV may include payments to seller(s) in cash or stock, the present value of notes or similar instruments, net long-term debt assumed by a buyer, and appropriate adjustments for other assets retained by a seller or liabilities assumed by a buyer.
- **Total Debt** — Short-Term Debt (interest-bearing liabilities due in 12 months or less, including, but not limited to, short-term bank loans and lease payments) + Long-Term Debt (interest-bearing liabilities with a maturity date longer than 12 months, including, but not limited to, bonds, lease payments, term loans, revolving lines of credit, and notes payable).
- **EBITDA** — Earnings Before Interest, Taxes, Depreciation, and Amortization. It is calculated as: Net Income + Interest + Taxes + Depreciation + Amortization.
- **Special Purpose Acquisition Company (SPAC)** — It is formed strictly to raise capital through an initial public offering for the purpose of acquiring an existing company.
- **Dry Powder** — Capital/funds raised by private equity firms that are available to be invested.
- **Middle Market** — Companies having Total Enterprise Values between \$10 and \$250 million.
- **Middle Market Financial Sponsor** — A Private Equity firm which invests in companies with Total Enterprise Values between \$10 and \$250 million.

Disclosure:

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